Vanishing Companies

1006. PROF. RAM DEO BHANDARY: Will the Minister of FINANCE be pleased to refer to answer to Unstarred Question 3900 given in Rajya Sabha on 28th August, 2001 and state the progress made by Government in further taking action against the vanishing companies in which show cause notices have been issued by the SEBI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): The Securities and Exchange Board of India (SEBI) has intimated that further action taken by them against companies to whom show cause notices were issued, is as under:

Two companies and four promoters/directors have been debarred from activities connected with the capital market, raising funds from the capital market and dealing in securities, for a period of 5 years.

Stock Exchanges and Registrars of Companies (RoCs) have been advised to verify compliance with legal and statutory requirements by the companies which have resurfaced after issue of show cause notices. The verification is in progress.

The Department of Company Affairs has intimated that action is in progress against 75 companies which have resurfaced. 27 companies are under liquidation.

Government Expenditure

†1007. SHRIMATI SAVITA SHARDA: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact Government are considering to exercise control over official expenditure;

(b) if so, whether Government have taken any steps so far in this direction; and

† Original notice of the Question was received in Hindi.